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Loans Closed and Servicing Volume for the Mortgage Banking Industry

1985

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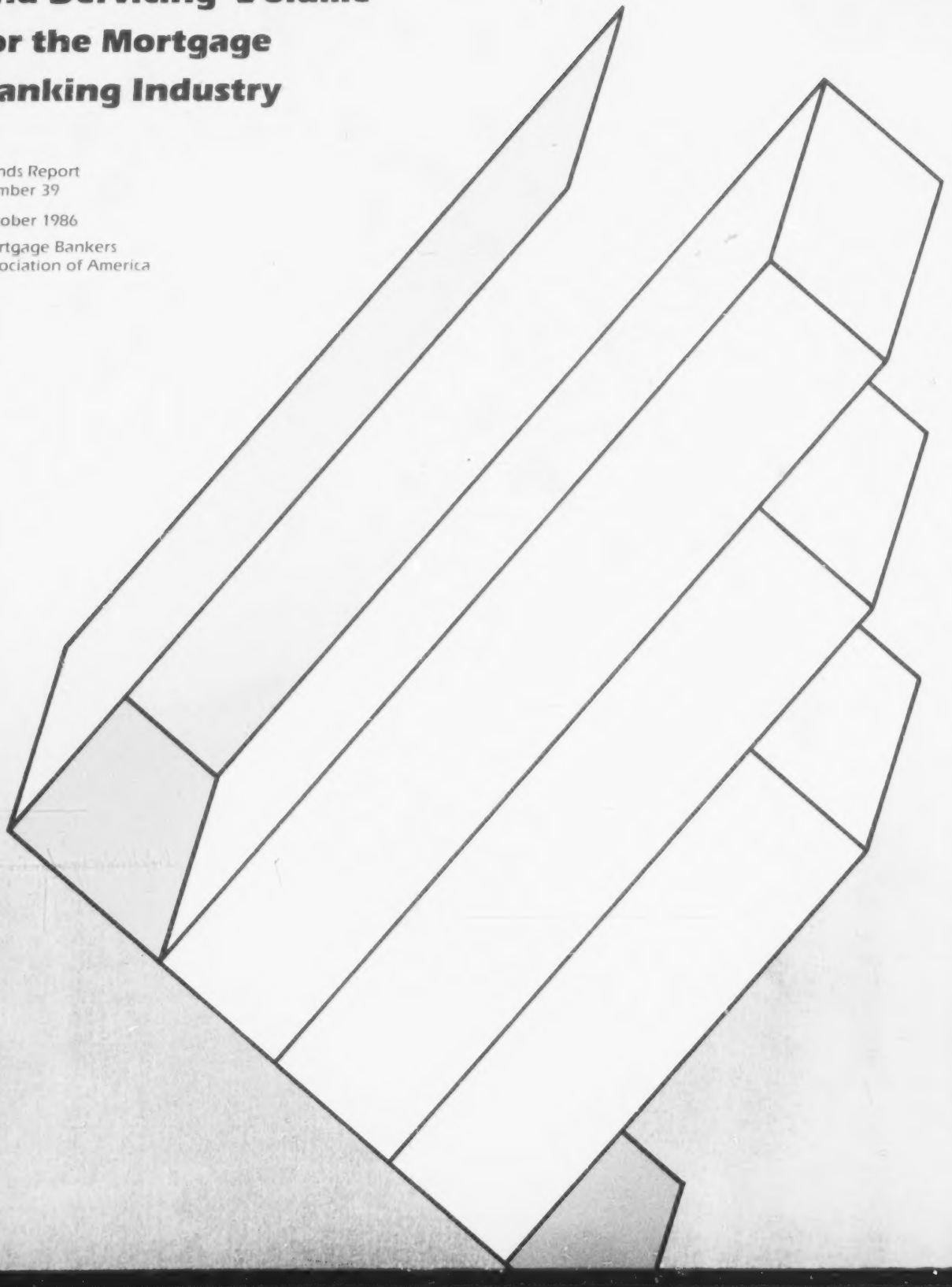

PREFACE

This edition of Loans Closed and Servicing Volume, which reports on mortgage banker origination and servicing activity for 1985, is based on a comprehensive annual survey of the members of the Mortgage Bankers Association of America. The data are statistically expanded to produce estimates for the entire industry.

The year 1985 was the third consecutive year of economic growth following the 1981-1982 recession. Similar to the previous year, the housing sector participated in this expansion, as did mortgage lending. Fostered by a downward drift in interest rates, mortgage lending rose sharply in 1985. For the year, total mortgage lending volume increased by 25 percent to $405 billion.

Mortgage bankers were again quite active in the mortgage market in 1985, raising their total origination volume by 32 percent to $98 billion. This jump allowed mortgage bankers to increase their share of the total mortgage market to 24 percent.

Single-family origination volume rose by nearly 30 percent, to a robust $76 ½ billion, and the share of the single-family market held by mortgage bankers increased by two percentage points to 30 percent. With the shift in emphasis away from adjustable-rate mortgages and back to fixed-rate lending, the biggest development within the single-family market was the surge in government-backed lending by mortgage bankers. Combined FHA-insured and VA-guaranteed lending by mortgage companies rose to $35 billion in 1985, an increase of over 65 percent from the previous year. Moreover, as in the recent past, mortgage bankers also continued to increase their involvement in the conventional loan market. In 1985, lending activity in this area rose by 10 percent to $41 billion. In addition, mortgage bankers again substantially increased the size of their conventional single-family loan servicing portfolios. In 1985, conventional single-family loans serviced amounted to $214 billion, or 37 ½ percent of their total portfolios.

In the income property area as a whole, origination volume by mortgage bankers increased to $21 billion, or by 40 percent. Multifamily lending rose by 22 percent to $8 billion, but the share of this market held by mortgage bankers remained unchanged at 22 percent in 1985. In the nonresidential market, due to a 54 percent jump in origination volume to $13 ½ billion, mortgage bankers' market share rose to 12 percent.

This report should be of interest to mortgage banking companies as well as others involved in real estate finance. We appreciate the cooperation of all the firms that contributed their time and effort to the survey.

This report was prepared by the Economics Department under the supervision of Lyle E. Gramley, Senior Staff Vice President and Chief Economist. The analysis of the data and preparation of the text for the study was performed by Mr. Robert Rosenblatt, Assistant Economist. The data were collected and prepared by Ms. Laura Gorman, Surveys Supervisor, with the help of Mr. Richard Murray, Assistant Surveys Supervisor, and Survey Analysts Ms. Shirley Davis, and Mr. Carlos Davila.

Warren Lasko
Executive Vice President
Mortgage Bankers Association
of America

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MORTGAGE FINANCE

With mortgage interest rates declining from their year earlier levels, mortgage lending activity exhibited greater strength in 1985. For the year, total long-term mortgage originations by the six major lending institutions amounted to a record $405 billion, an increase of 25 percent over the 1984 lending level, which was a healthy $325 billion.

All of the major players, except the federal credit agencies, registered significant increases in mortgage lending activity in 1985. The principal beneficiaries, however, were commercial banks, mortgage banking companies, and life insurance companies. Commercial banks increased their origination volume by 33 percent, to reach a total of almost $106 billion. Similarly, mortgage companies, which benefitted from the shift back toward fixed-rate loans, originated a total of $98 billion, a 32 percent increase over 1984. Life insurance companies, however, flush with investable funds, experienced the fastest growth in total lending volume in 1985. For the year, their origination volume rose by 65 percent, to $28 billion. The thrift industry also increased its participation in the mortgage lending field. In 1985, originations by savings and loans increased to $145 billion, or by 12 percent, while lending activity at mutual savings banks rose 21 percent to $22 billion.

In the one-to four-unit residential category, which represents the bulk of total origination volume for most of the major lenders, origination activity was strong, but not as robust as some other market segments. In 1985, lending volume in the single-family market rose by 21 percent, or from $214 billion to $258 billion. Again, with the exception of the federal credit agencies all the major lending institutions actively participated in the growth of single-family lending. Savings and loans increased their residential origination volume by 13½ percent, to $109 billion, and mutual savings banks raised their lending activity to almost $17 billion, an increase of 30½ percent. The dollar volume of loans closed at mortgage companies rose by 29½ percent, or to $76½ billion in 1985, from $59 billion in one-to four-unit residential loans in 1985, compared with $42 billion the previous year. Originations by life insurance companies, although on the rise, remained an insignificant part of the single-family residential market in 1985.

MARKET SHARE

The substantial growth in total mortgage lending volume in 1985 was accompanied by modest shifts in market share for each of the major lenders. Gains in market share were experienced by commercial banks, mortgage companies, and life insurance companies. Commercial banks increased their share of the market by nearly two percentage points, to 26 percent, but this was still far short of the 31 percent commercial banks commanded as recently as 1982. Similarly, mortgage companies, with their 32 percent jump in origination volume, increased their market share by over one percentage point to slightly more than 24 percent. The surge in lending activity by life companies pushed their market share up from five percent to seven percent. This marks the first time in five years that life insurance companies have experienced any growth in market share.

The increased market penetration by these three lender groups came at the expense of the savings and loan industry, whose share of the market fell by four percentage points to 36 percent, almost touching the same low level they had achieved in the recession year of 1982. Mutual savings banks continued to hold about 5½ percent of the market. The outright decline in origination volume by federal credit agencies in 1985 resulted in a drop in their market share to under 1½ percent.

Shifts in market share in the one-to four-unit market were generally analogous to developments in the mortgage market as a whole. The one exception was mutual savings banks. In 1985, this group of lenders raised their market for the single-family category slightly to almost 6½ percent, their highest percentage since 1978. Commercial banks experienced a very marginal increase in their share of the single-family lending market, accounting for 20 percent in 1985. Mortgage companies registered the largest increase in market share in 1985, further entrenching themselves as the number two lender in the single-family area. For the year, mortgage companies held 29½ percent of the one-to four-unit market, compared with 27½ percent in 1984. The share of this market held by savings and loans declined by almost 3 percentage points, or from 45 percent to 42 percent.

INCOME PROPERTY

Mortgage lending in the income property market rose sharply in 1985, by 32 percent, reaching a total of $146½ billion. This surge in income property financing was fostered by robust performances by most of the major lenders in both the multifamily and nonresidential sectors of this market. Specifically, multiunit originations rose to $35½ billion, an increase of 22 percent, while lending for nonresidential purposes increased 35½ percent, to $111 billion. Accompanying this growth were some significant shifts in market share within each of the two categories, and in the income property market as a whole.

In the multifamily market, all of the growth occurred in the conventional loan area, principally benefitting savings and loans and mortgage companies. For the year, conventional multiunit originations rose by 31 percent, or by $8 billion, to $33 billion. The bulk of this increase can be attributed to the extremely heavy issuance of mortgage revenue bonds in 1985, since most mortgage revenue bond related originations in the mul-

tifamily area fall into the conventional loan category. In fact, in 1985, FHA multiunit originations actually declined, slipping from $3½ billion to $2 billion.

Within the multifamily market, only two lender groups, life insurance companies and commercial banks, reported any increases in market share in 1985. The biggest gain was recorded by life insurance companies, a group that historically has not been a major lender in this market. A jump in origination volume to $3 billion allowed them to increase their share of this market by three percentage points to 8 percent. This rise also permitted life insurance companies to move from the sixth to the fourth largest lender group in the multifamily area. A rise in lending activity by commercial banks from $3½ billion in 1984 to $5 billion in 1985 translated into a two percentage point increase in market share. In 1985, commercial banks held 14 percent of the multifamily market.

Mortgage companies were again quite active in the multifamily area. Their origination volume equalled $8 billion in 1985, 22 percent above last year's strong performance, and their market share held at the 22 percent level established in 1984. Savings and loans continued to dominate the multifamily market in 1985, increasing their lending activity by 19 percent, to $15½ billion, but their share of this market fell slightly, to 44 percent. Multifamily lending at mutual savings banks was basically unchanged in 1985, remaining at the $2 billion level, and their market share declined slightly to 6½ percent.

Federal credit agencies reported an outright decline in multifamily lending in 1985. For the year, their origination volume dropped 17 percent, to under $2 billion, and their market share fell to slightly more than 5½ percent.

The boom in commercial construction in 1985 translated into a substantial increase in nonresidential lending activity. Overall, lending in this area increased by 35 percent, from $82 billion in 1984 to $111 billion in 1985. The biggest gain was recorded by life insurance companies. A 63 percent jump in origination volume, to $24 billion, allowed this lender group to increase its share of this market by nearly four percentage points. The resulting 22 percent market share enabled life insurance companies to surpass savings and loans and become the second largest lender in the nonresidential market in 1985. On the strength of a 44 percent rise in origination volume, from $34 billion in 1984 to $49 billion in 1985, commercial banks also increased their market share by three percentage points to 44½ percent. This increase further solidified their position as the number one lender in the nonresidential market. Mortgage companies were also quite active participants in the nonresidential lending market. For the year, their origination volume rose by 54 percent, from $9 billion to $13½ billion, and their market share increased by better than one percentage point, to 12 percent.

Nonresidential originations by the thrift industry were basically unchanged in 1985. Lending activity by savings and loans remained very close to the $20 billion mark attained the previous year, and at mutual savings banks, originations again equalled $3 billion. The share of the market held by savings and loans dropped by six percentage points to 18½ percent, and that of mutual savings banks fell by over one percentage point, to three percent. Nonresidential lending by federal credit agencies again remained below the $1 billion mark in 1985. They therefore continued to account for an insignificant portion of this market.

MORTGAGE BANKER LOAN ORIGINATIONS

Mortgage banking companies significantly strengthened their position in the mortgage markets in 1985, accounted for 29 percent of the $80 billion increase in mortgage loan originations that occurred in 1985. This rise in lending volume resulted in over a one percentage point increase in market share, or to over 24 percent of all mortgage loan originations.

Shifts in the types of loans originated by mortgage companies were relatively moderate. Residential loan originations were a somewhat smaller percentage of total originations, but they still accounted for 86 percent of the total. Lending in the nonresidential market rose by two percentage points to $13 billion, or to almost 14 percent of the mortgage banker's total volume in 1985.

In the single-family market, mortgage bankers, while continuing to make headway in the conventional loan market, returned to more traditional lending patterns in 1985. With the drop in interest rates, particularly in the second and fourth quarters, consumers began to turn away from adjustable-rate mortgages. Thus, mortgage companies increased their emphasis on fixed-rate lending. This in turn, resulted in a marked pick-up in the origination of government-backed loans, and in a shift in conventional originations from adjustable to fixed-rate loans. In the single-family sector, combined FHA-insured and VA-guaranteed lending by mortgage companies surged to $35 billion, an increase of over 65 percent from the previous year. FHA-insured lending rose by 78 percent to $23 billion, and VA-guaranteed loan originations increased to $12 billion, or by 44 percent.

Mortgage bankers also increased their dollar volume of originations in the single-family conventional loan market in 1985. For the year, their lending activity in this area rose by 10 percent, to $41 billion. This increase, however, did not keep pace with those recorded by the other major lending institutions, so that the mortgage bankers share of the total conventional single-family market fell by one percentage point, to 19 percent.

In the income property market, both segments, multiunit and nonresidential, reported increases in origination volume in 1985. Multifamily lending by mortgage companies rose by 22 percent to $8 billion. All of the increase was in conventional multifamily lending, and was mainly due to a record level of mortgage revenue bond issuances last year. The resulting pick-up in multifamily originations was almost exclusively in the form of conventional loans. Mortgage bankers in turn, ben-

efitted by closing a large percentage of the loans, mainly conventional, associated with this type of financing. Nonetheless, the market share held by mortgage companies remained unchanged at 22 percent in 1985.

In the nonresidential market, as a result of the strong rise in commercial construction, lending volume by mortgage bankers rose by 54 percent, to nearly $13½ billion. This jump allowed mortgage companies to increase their share of this market by over one percentage point to 12 percent.

In terms of total mortgage banker financing devoted to income property, the results were mixed. In 1985, the portion of mortgage company activity that went to the multifamily area fell by one percentage point to 8 percent, while the share allocated to nonresidential lending rose by two percentage points to 14 percent. Overall, there was an increase of 1½ percentage points, to 22 percent, in the amount of mortgage bankers financing used for income property originations.

Lending by mortgage bankers in areas other than first mortgages was essentially unchanged in 1985, remaining slightly below the $8 billion level. Originations in this area include construction loans, land development loans, second mortgages, and other categories. After a small uptick the year before, construction lending by mortgage companies fell by 22 percent, to under $5 billion in 1985. Mortgage banker originations of land development loans declined to about $200 million, or by 57 percent. On the other hand, the dollar volume of both second mortgage loans and other non-first mortgage loans rose markedly in 1985. The former rose by 42 percent to $1 billion, while the latter increased by 156 percent to almost $2 billion.

MORTGAGE BANKER SOURCES OF FUNDS

The overall increase in mortgage lending in 1985, and the shift back to fixed-rate lending that occurred in the single-family residential market, can be seen quite clearly in the mortgage bankers pattern of loan placement. The substantial increase in FHA/VA activity in 1985 translated into a 40 percent increase in the volume of originations that mortgage bankers pooled into Government National Mortgage Association (GNMA) guaranteed mortgage-backed securities. For the year, $21½ billion or 22 percent of their lending volume was placed with GNMA, compared with $15 billion or 21 percent in 1984. In addition, within the single-family conventional loan category, the decline in adjustable-rate mortgage originations may have been the reason for the 7 percent drop, to $10 billion, in the sale of loans to thrift institutions. In 1985, thrifts purchased only 10 percent of all mortgage banker originations, after buying almost 15 percent the previous year.

Commercial banks and state finance agencies also curtailed their purchases of mortgage loans from mortgage bankers. In 1985, commercial banks bought $11½ billion in mortgage loans from mortgage bankers, only 12 percent of all mortgage banker originations. Purchases by state finance agencies fell by 8 percent to under $4 billion.

Mortgage banker sales to the Federal National Mortgage Association (FNMA) rose by 44 percent, from $6 billion to $8½ billion. The Federal Home Loan Mortgage Corporation (FHLMC) again increased its loan purchases from mortgage bankers. In 1985, mortgage bankers sold $4 billion in loans to FHLMC, an increase of 56 percent, but this amounted to only 4 percent of all mortgage banker originations.

MORTGAGE SERVICING BY MORTGAGE BANKERS

The servicing portfolios of mortgage bankers rose by $106 billion in 1985, to $570 billion, an increase of 22 percent. Similar to last year, the bulk of the gain was concentrated in the single-family residential area. However, in 1985, an increase in the volume of income property loans serviced also contributed to the growth of the mortgage bankers servicing portfolios.

In 1985, mortgage banker servicing of single-family loans rose by over 20 percent to $459 billion, with over half of the $78 billion increase occurring in conventional loans. Conventional single-family loans serviced in 1985 amounted to $214 billion, or 37½ percent of the portfolio. Servicing of FHA-insured loans rose by 15 percent to $136½ billion, while VA-guaranteed loan servicing increased by over 10 percent to $109 billion. However, because of the proportionately greater rise in conventional loan servicing, the share of the single-family servicing portfolio accounted for by government-backed loans declined in 1985. In percentage terms, FHA-insured and VA-guaranteed loan servicing comprised 24 percent and 19 percent, respectively, of the mortgage banker's total servicing portfolio.

In the income property field, mortgage banker servicing of multifamily mortgages rose by 43 percent to $50 billion in 1985, with all of the increase attributed to the servicing of conventional multiunit loans, which rose by 84 percent, to $32 billion. The mortgage banker nonresidential servicing portfolio increased by 28 percent, from $48 billion in 1984 to $62 billion in 1985. Overall, income property servicing represented 19½ percent of the total mortgage banker servicing portfolio, with the multiunit sector accounting for about 8½ percent, and nonresidential servicing making up the other 11 percent.

As a result of the differing involvements of the various lending institutions, the distribution of mortgages serviced by mortgage bankers continued to change in 1985. For instance, while servicing for GNMA security holders remained the single largest type of servicing by mortgage bankers, at $156 billion, the share of total servicing accounted for by GNMA mortgage pools fell for the second year in a row. In dollar volume terms, mortgage banker servicing of loans for commercial banks rose by 8 percent to $63 billion, and for FNMA it increased by 3 percent to $67 billion. However, the

percent of the total mortgage banker servicing portfolio in these two categories declined in 1985, to 11 percent for commercial banks and to 12 percent for FNMA.

Loans serviced for life insurance companies, on the other hand, increased by 31 percent in 1985, from $52½ billion to $69 billion. This places servicing for life insurance companies at 12 percent of the mortgage bankers total servicing portfolio. Servicing by mortgage bankers for their own accounts increased by the largest percentage in 1985. For the year, mortgage banker servicing for themselves rose by 140 percent, to $43 billion. This means that in 1985, servicing for their own portfolios accounted for 7½ percent of the mortgage bankers total. Savings and loans held $55 billion or 10 percent of all loans serviced by mortgage bankers.

The size of the average single-family residential loan serviced by mortgage bankers rose by 9 percent in 1985, reaching $39,302. Although all three loan types contributed to the increase, much of the rise was due to a substantially larger increase in the average size of FHA-insured loans serviced.

Mortgage Banker Loans Originated and Loans Serviced

One- to Four-Unit Residential Loans:

	Average Size Loan Originated (dollars)			Percent Change		
Loan Type	1983	1984	1985	1983–84	1984–85	1983–85
FHA	$53,819	$56,707	$60,918	5.4	7.4	13.2
VA	61,529	62,683	63,789	1.9	1.8	3.7
Conventional	70,105	69,426	73,211	(0.1)	5.5	4.4
All Single Family	61,450	65,231	67,533	6.2	3.5	9.9
	Average Size Loan Serviced (dollars)			Percent Change		
Loan Type	1983	1984	1985	1983–84	1984–85	1983–85
FHA	$28,195	$29,434	$33,046	4.4	12.3	17.2
VA	32,907	33,494	35,425	1.8	5.8	7.7
Conventional	44,776	46,029	47,734	2.8	3.7	6.6
All Single Family	34,033	36,172	39,302	5.9	8.7	15.5

Income Property Loans:

	Average Size Loan Originated (thousands of dollars)			Percent Change		
Multiunit	1983	1984	1985	1983–84	1984–85	1983–85
FHA	$3,803	$1,818	$1,298	(52.2)	(28.6)	(65.9)
Conventional	1,115	1,168	1,651	4.8	41.4	48.1
Nonresidential	1,452	1,598	2,021	10.1	26.5	39.2
	Average Size Loan Serviced (thousands of dollars)			Percent Change		
Multiunit	1983	1984	1985	1983–84	1984–85	1983–85
FHA	$2,084	$2,165	$1,803	3.9	(16.7)	(13.5)
Conventional	185	458	731	147.6	59.6	295.1
Nonresidential	292	752	697	157.5	(7.3)	138.7

MORTGAGE BANKERS' SHARE OF THE MARKET

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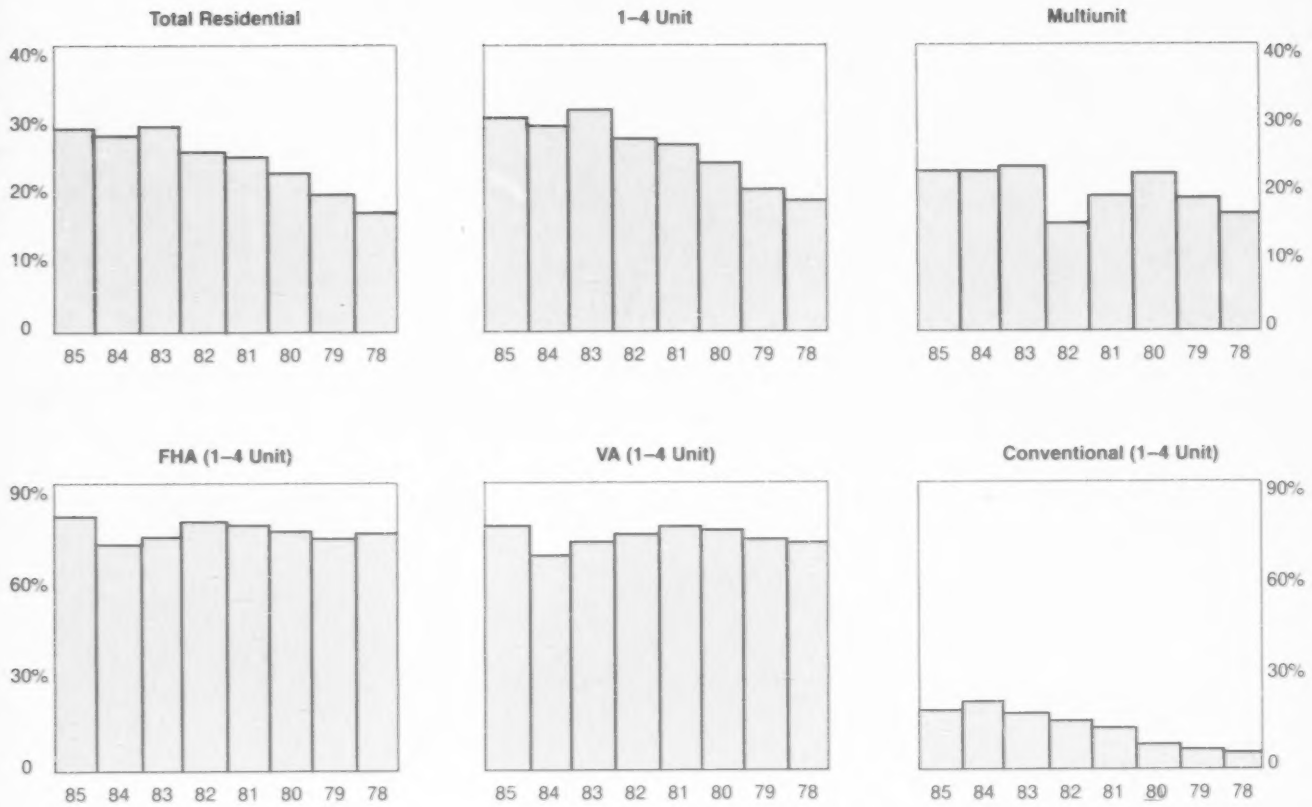
Table 1 **TOTAL MORTGAGE ORIGINATIONS BY SIX INSTITUTIONS IN 1985**

Property Type	Total	Mortgage Companies	Savings & Loan	Commercial Banks	Mutual Savings Banks	Life Insurance Companies	Federal Credit Agencies
	(Dollars in Millions)						
Total Residential	**$294,010**	**$84,404**	**$124,888**	**$ 56,620**	**$18,866**	**$ 4,078**	**$5,154**
1–4 Unit Residential	$258,460	$76,500	$109,276	$ 51,675	$16,549	$ 1,306	$3,154
FHA	27,851	22,904	1,344	3,241	122	240	0
VA	15,529	12,257	1,285	1,817	55	115	0
Conventional	215,081	41,339	106,647	46,618	16,372	951	3,154
Multiunit	$ 35,550	$ 7,904	$ 15,612	$ 4,945	$ 2,317	$ 2,772	$2,000
FHA	2,160	1,570	223	3	11	0	353
Conventional	33,389	6,334	15,389	4,941	2,306	2,772	1,647
Nonresidential	$110,914	$13,445	$ 20,482	$ 49,225	$ 3,132	$23,995	$ 645
Total	**$404,924**	**$97,849**	**$145,370**	**$105,875**	**$21,998**	**$28,033**	**$5,799**
	(Percentages)						
Total Residential	**100.0%**	**28.7%**	**42.5%**	**19.3%**	**6.4%**	**1.4%**	**1.8%**
1–4 Unit Residential	100.0%	29.6	42.3	20.0	6.4	0.5	1.2
FHA	100.0%	82.2	4.8	11.6	0.4	0.9	0.0
VA	100.0%	78.9	8.3	11.7	0.4	0.7	0.0
Conventional	100.0%	19.2	49.6	21.7	7.6	0.4	1.5
Multiunit	100.0%	22.2	43.9	13.9	6.5	7.8	5.6
FHA	100.0%	72.7	10.3	0.1	0.5	0.0	16.4
Conventional	100.0%	19.0	46.1	14.8	6.9	8.3	4.9
Nonresidential	100.0%	21.1	18.5	44.4	2.8	21.6	0.6
Total	**100.0%**	**24.2%**	**35.9%**	**26.2%**	**5.4%**	**6.9%**	**1.4%**

MBA estimates. Source adapted from: U.S. Department of Housing and Urban Development, Annual Report on National Housing Goals and Gross Mortgage Flows Data.

ORIGINATIONS BY MORTGAGE BANKERS AS A PERCENT OF ORIGINATIONS BY SIX INSTITUTIONS, 1978–1985

Chart 2



ORIGINATIONS BY MORTGAGE BANKERS AS A PERCENT OF ORIGINATIONS BY SIX INSTITUTIONS,* 1978–1985

Table 2

Property and Type of Loan	1985	1984	1983	1982	1981	1980	1979	1978
Total Residential	**28.7%**	**27.0%**	**29.7%**	**25.7%**	**25.6%**	**23.5%**	**19.1%**	**17.4%**
1–4 Unit Residential	29.6	27.6	30.5	27.0	26.5	23.7	19.3	17.5
FHA	82.2	76.3	79.2	84.6	84.0	82.6	79.4	80.2
VA	78.9	71.2	75.7	78.3	81.2	80.3	77.7	77.1
Conventional	19.2	20.4	16.2	14.6	14.1	8.9	7.0	6.7
Multiunit	22.2	22.3	22.7	14.8	17.4	21.0	17.3	15.6

*Six institutional mortgage originators are those used in Table 1: Mortgage Bankers, Savings & Loan Associations, Commercial Banks, Mutual Savings Banks, Life Insurance Companies and Federal Credit Agencies.

Sources adapted from: Federal Home Loan Bank Board; Federal Reserve, Flow of Funds and Mortgage Debt Statistics; U.S. Department of Housing and Urban Development, Annual Report on National Housing Goals and Gross Mortgage Flows Data.

Chart 3

SERVICING BY MORTGAGE BANKERS AS A PERCENT OF MORTGAGE DEBT OUTSTANDING, 1978–1985

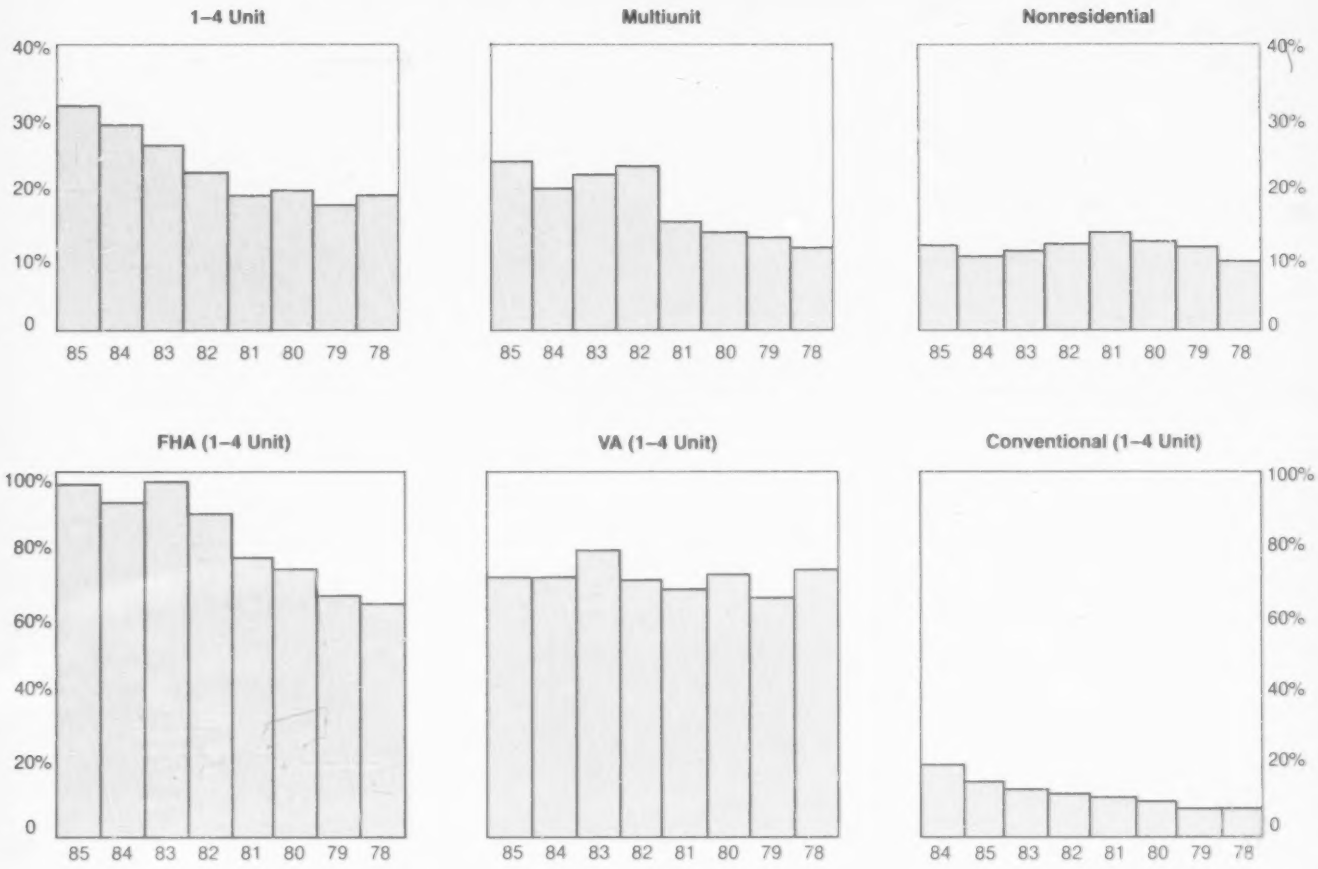


Table 3

SERVICING BY MORTGAGE BANKERS AS A PERCENT OF MORTGAGE DEBT OUTSTANDING, 1978–1985

Property and Type of Loan	1985	1984	1983	1982	1981	1980	1979	1978
Total Residential	**30.4%**	**27.8%**	**26.2%**	**22.8%**	**23.0%**	**19.7%**	**17.6%**	**19.1%**
1–4 Unit Residential	31.3	28.7	26.6	22.7	20.0	20.3	18.0	19.9
FHA	98.8	95.4	99.0	87.2	76.0	74.8	66.8	62.2
VA	69.7	70.0	78.0	68.0	63.5	70.0	62.5	71.6
Conventional	18.2	15.5	11.5	9.1	7.4	6.9	5.7	5.8
Multiunit	24.3	20.4	23.1	24.1	16.1	15.2	14.5	13.7
Nonresidential	11.5	10.2	10.4	12.4	14.0	13.0	11.6	10.1
Total	**25.8%**	**23.6%**	**22.5%**	**20.5%**	**18.5%**	**17.2%**	**15.3%**	**16.2%**

Source adapted from Federal Reserve Mortgage Debt Statistics.

MORTGAGE BANKING HISTORICAL TRENDS

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Chart 4 MORTGAGE BANKERS' ORIGINATIONS BY THE TYPE OF LOAN, 1978–1985
(Dollars in Billions)

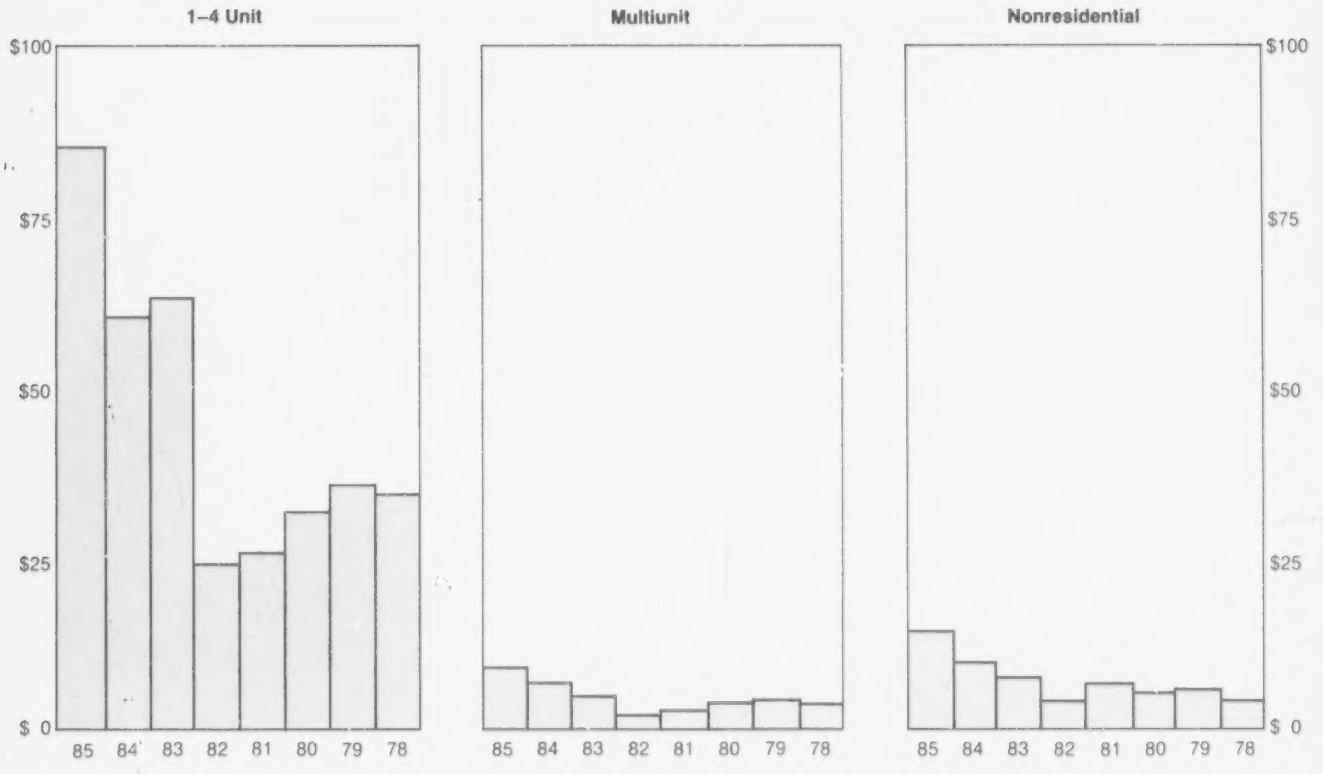


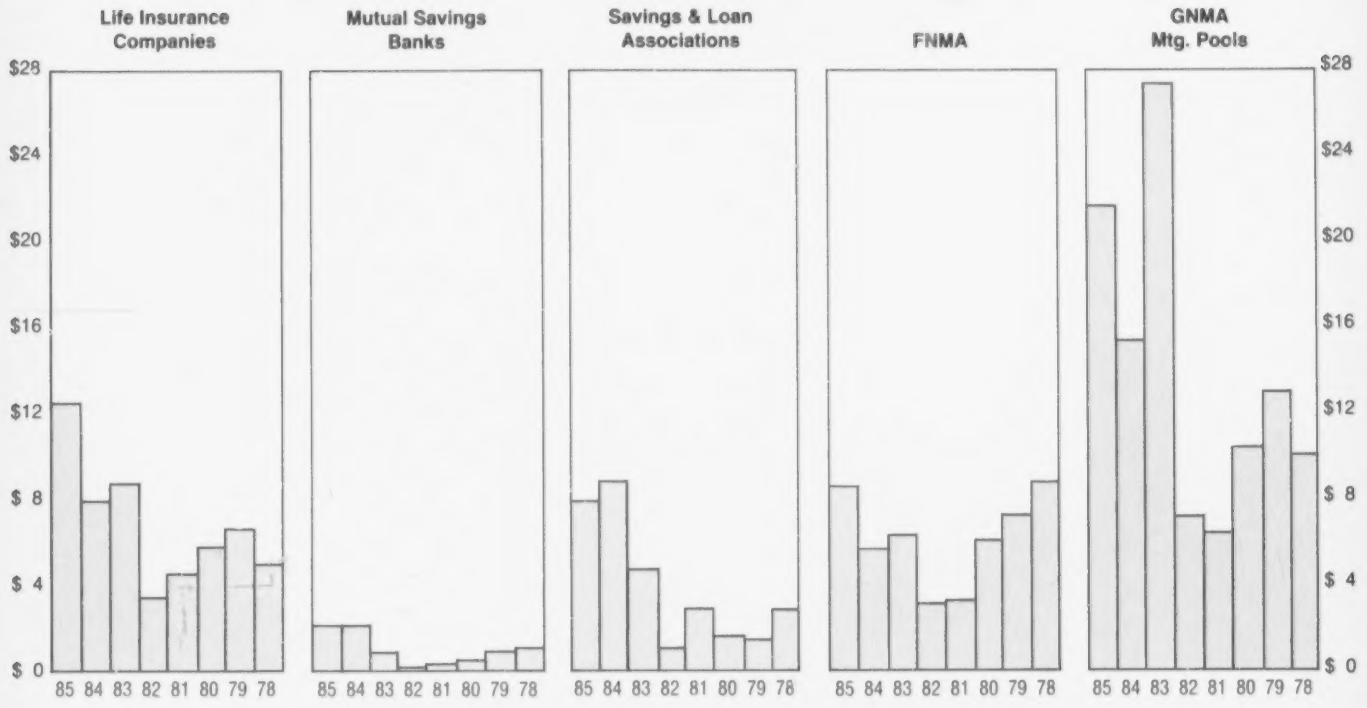
Table 4 MORTGAGE BANKERS' ORIGINATIONS BY TYPE OF LOAN, 1978–1985

Type of Loan	1985	1984	1983	1982	1981	1980	1979	1978
	(Dollars in Millions)							
Total Residential	**$84,404**	**$65,525**	**$67,416**	**$26,006**	**$27,561**	**$33,332**	**$35,916**	**$33,597**
1–4 Unit Residential	76,500	59,047	61,992	24,418	25,832	30,864	33,394	31,146
FHA	22,904	12,856	22,072	8,471	8,387	11,823	11,907	10,051
VA	12,257	8,498	14,720	5,171	6,189	9,847	11,398	11,000
Conventional	41,339	37,693	25,200	10,776	11,256	9,194	10,089	10,095
Multiunit	7,904	6,478	5,424	1,588	1,729	2,468	2,522	2,451
FHA	1,570	2,431	1,784	642	749	1,278	743	918
Conventional	6,334	4,047	3,640	946	980	1,190	1,779	1,533
Nonresidential	13,445	8,735	7,117	3,224	5,907	4,799	5,507	4,167
Total	**$97,849**	**$74,260**	**$74,533**	**$29,230**	**$33,468**	**$38,131**	**$41,423**	**$37,764**
	(Percentages)							
Total Residential	**86.3%**	**88.2%**	**90.5%**	**89.0%**	**82.4%**	**87.4%**	**86.7%**	**89.0%**
1–4 Unit Residential	78.2	79.5	83.2	83.6	77.2	80.9	80.6	82.5
FHA	23.4	17.3	29.6	29.0	25.1	31.0	28.7	26.6
VA	12.5	11.4	19.8	17.7	18.5	25.8	27.5	29.1
Conventional	42.2	50.8	33.8	36.9	33.6	24.1	24.4	26.8
Multiunit	8.1	8.7	7.3	5.4	5.2	6.5	6.1	6.5
FHA	1.6	3.3	2.4	2.2	2.2	3.4	1.8	2.4
Conventional	6.5	5.4	4.9	3.2	3.0	3.1	4.3	4.1
Nonresidential	13.7	11.8	9.5	11.0	17.6	12.6	13.3	11.0
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

MORTGAGE BANKERS' LOANS ORIGINATED BY PURCHASING INVESTOR

Chart 5

(Dollars in Billions)



MORTGAGE BANKERS' LOANS ORIGINATED BY PURCHASING INVESTOR

Table 5

Investor[1]	1985	1984	1983	1982	1981	1980	1979	1978
	(Dollars in Millions)							
Life Insurance Companies	$12,427	$ 8,028	$ 8,969	$ 3,219	$ 4,319	$ 6,413	$ 7,304	$ 5,177
Thrift Institutions[2]	9,981	10,779	6,158	1,894	3,708	2,903	3,514	5,118
Commercial Banks[3]	11,448	12,591	8,489	3,217	3,820	2,240	2,842	2,154
FNMA	8,513	5,920	6,946	3,685	3,930	6,235	7,443	8,963
FHLMC	3,965	2,543	1,401	245	421	378	*	*
GNMA Mtg. Pools	21,527	15,430	27,319	7,761	6,909	10,145	13,185	9,592
State Finance Agencies	3,718	4,046	2,696	703	1,705	1,958	1,416	629
Committed Inventory	13,347	7,312	5,933	6,896	6,012	4,872	3,064	2,458
Uncommitted Inventory	4,110	1,431	856	388	196	578	1,157	1,097
Others[4]	8,813	6,180	5,766	1,222	2,448	2,409	1,498	2,576
Total	**$97,849**	**$74,260**	**$74,533**	**$29,230**	**$33,468**	**$38,131**	**$41,423**	**$37,764**
	(Percentages)							
Life Insurance Companies	12.7%	10.8%	12.0%	11.0%	12.9%	16.8%	17.6%	13.7%
Thrift Institutions[2]	10.2	14.5	8.3	6.5	11.1	7.6	8.5	13.6
Commercial Banks[3]	11.7	17.0	11.4	11.0	11.4	5.9	6.9	5.7
FNMA	8.7	8.0	9.3	12.6	11.7	16.4	18.0	23.7
FHLMC	4.1	3.4	1.9	0.8	1.3	1.0	*	*
GNMA Mtg. Pools	22.0	20.8	36.7	26.6	20.6	26.6	31.8	25.4
State Finance Agencies	3.8	5.4	3.6	2.4	5.1	5.1	3.4	1.7
Committed Inventory	13.6	9.8	8.0	23.6	18.0	12.8	7.4	6.5
Uncommitted Inventory	4.2	1.9	1.1	1.3	0.6	1.5	2.8	2.9
Others[4]	9.0	8.3	7.7	4.2	7.3	6.3	3.6	6.8
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

*Prior to 1980 FHLMC activity included in Others

Chart 6

MORTGAGE BANKERS' CONSTRUCTION LOANS
(Dollars in Billions)

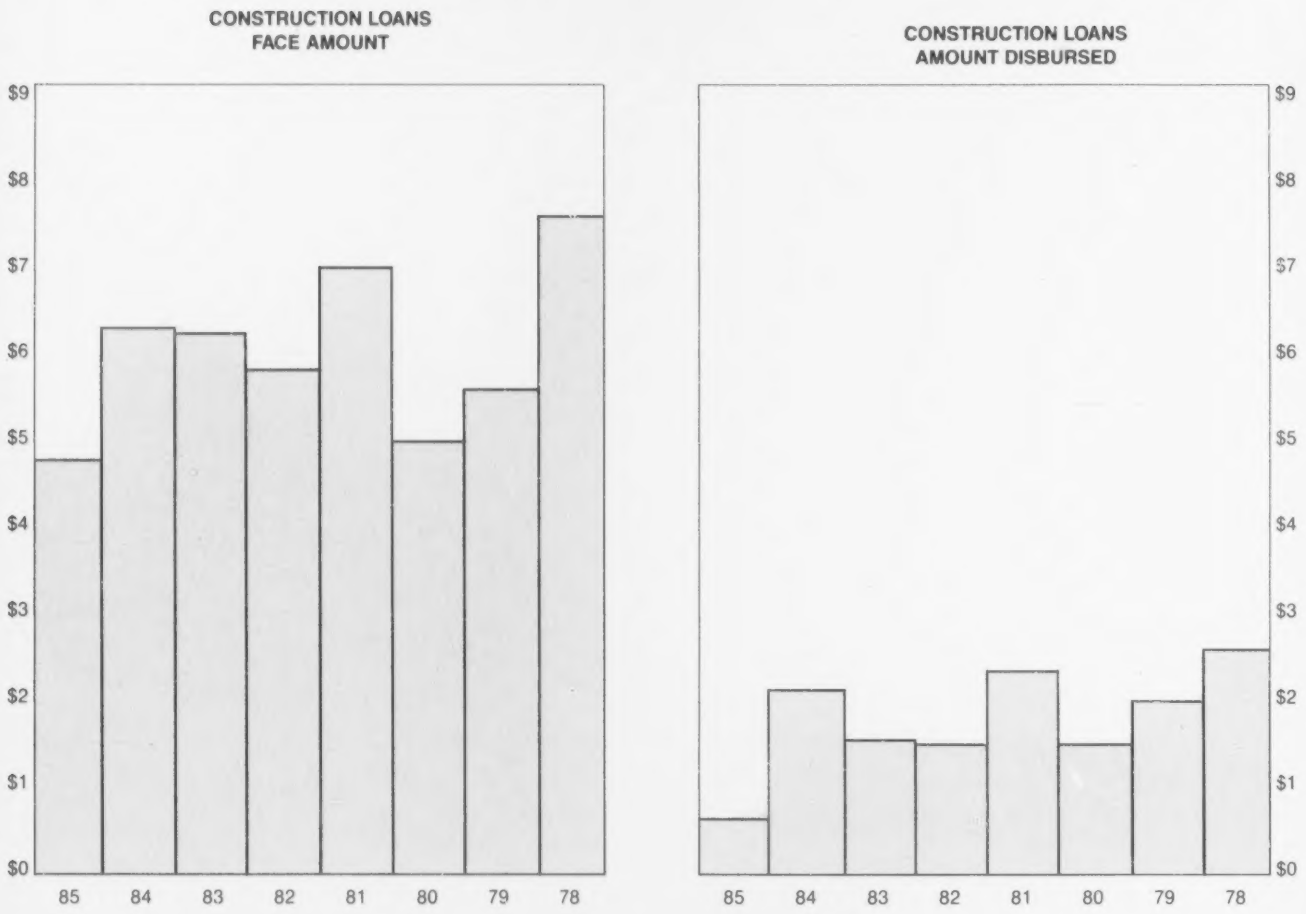


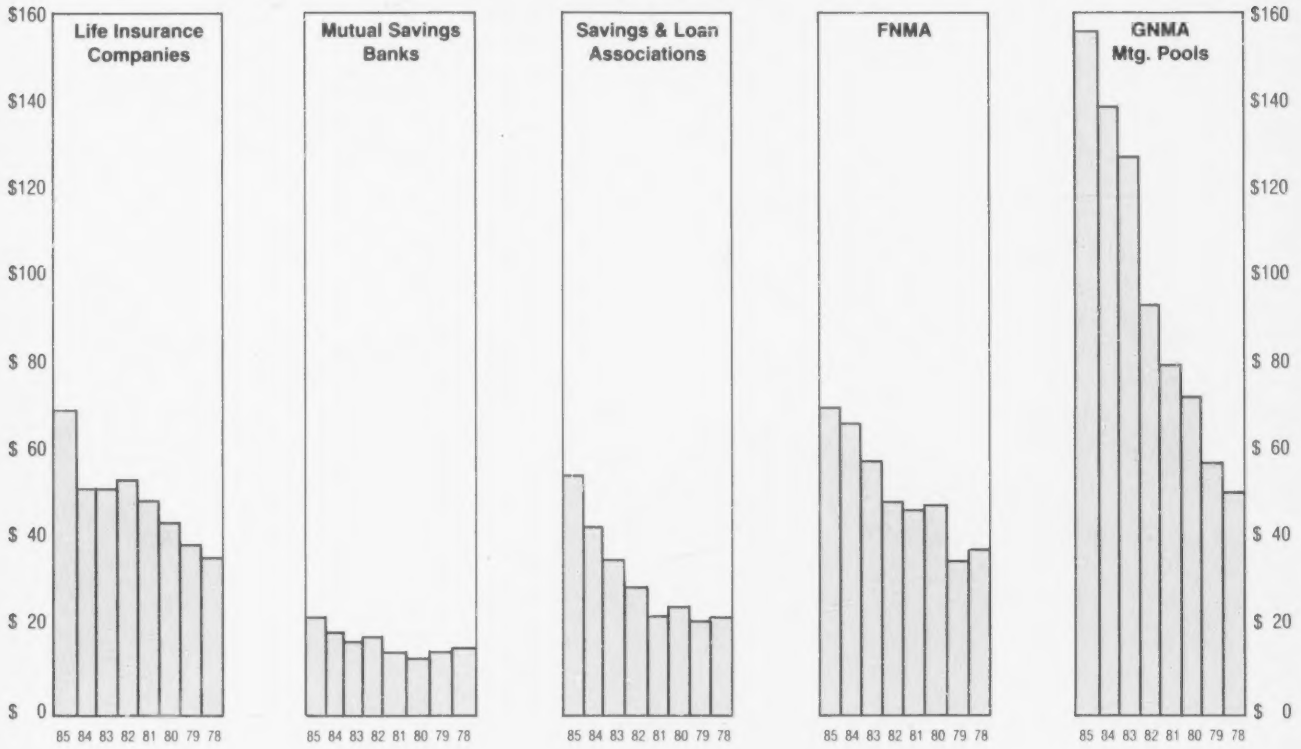
Table 6

MORTGAGE BANKERS' ORIGINATIONS OF NON-FIRST MORTGAGE LOANS

Type of Loan	1985	1984	1983	1982	1981	1980	1979	1978
	(Dollars in Millions)							
Construction Loans								
Face Amount	$4,771	$6,083	$6,000	$5,534	$6,904	$4,904	$5,464	$7,457
Amount Disbursed	541	1,984	1,498	1,491	2,220	1,470	1,941	2,488
Land Development Loans	226	530	448	133	452	429	624	585
Second Mortgage Loans	999	704	863	585	735	448	294	313
Other Non-Mortgage Loans	1,676	655	1,427	908	1,189	164	201	540
Total	**$7,672**	**$7,972**	**$8,738**	**$7,160**	**$9,280**	**$5,945**	**$6,583**	**$8,895**
	(Percentages)							
Construction Loans								
Face Amount	62.2%	76.3%	68.7%	77.3%	74.4%	82.5%	83.0%	83.8%
Amount Disbursed	7.1	24.9	17.1	20.8	23.9	24.7	29.5	28.0
Land Development Loans	2.9	6.7	5.1	1.9	4.9	7.2	9.5	6.6
Second Mortgage Loans	13.0	8.8	9.9	8.2	7.9	7.5	4.5	3.5
Other Non-Mortgage Loans	21.8	8.2	16.3	12.7	12.8	2.8	3.0	6.1
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

MORTGAGE BANKERS' SERVICING BY INVESTOR
(Dollars in Billions)

Chart 7



MORTGAGE BANKERS' SERVICING BY INVESTOR

Table 7

Investor[1]	1985	1984	1983	1982	1981	1980	1979	1978
	(Dollars in Billions)							
Life Insurance Companies	$ 68.6	$ 52.5	$ 52.4	$ 53.9	$ 48.8	$ 43.9	$ 38.8	$ 35.0
Mutual Savings Banks	21.2	18.8	17.4	18.3	16.2	14.7	15.2	17.0
Savings & Loan Associations	54.6	42.4	34.7	28.3	22.8	23.6	21.2	22.7
Commercial Banks[3]	63.0	58.4	44.9	34.8	30.4	22.4	19.9	12.3
FNMA	66.7	65.0	57.6	46.3	45.4	46.0	34.5	37.4
GNMA	21.8	9.1	14.1	10.4	3.7	4.0	0.9	0.8
GNMA Mtg. Pools	156.0	139.8	127.9	94.3	79.4	71.7	56.5	49.1
State Finance Agencies	22.5	17.7	12.5	10.4	9.0	7.0	3.8	2.4
Others	52.6	42.3	24.6	23.0	14.5	10.2	5.0	5.1
Inventory, Serviced Own Acct.	42.9	17.9	13.0	8.7	4.3	5.8	8.1	8.1
Total	**$570.0**	**$463.9**	**$399.1**	**$328.4**	**$274.5**	**$249.3**	**$203.9**	**$189.9**
	(Percentages)							
Life Insurance Companies	12.0%	11.3%	13.1%	16.4%	17.8%	17.6%	19.0%	18.5%
Mutual Savings Banks	3.7	4.1	4.4	5.6	5.9	5.9	7.5	9.0
Savings & Loan Associations	9.6	9.1	8.7	8.6	8.3	9.5	10.4	11.9
Commercial Banks[3]	11.1	12.6	11.3	10.6	11.1	9.0	9.8	6.5
FNMA	11.7	14.0	14.4	14.1	16.5	18.4	16.9	19.7
GNMA	3.8	2.0	3.5	3.2	1.3	1.6	0.4	0.4
GNMA Mtg. Pools	27.4	30.1	32.0	28.7	28.9	28.8	27.7	25.9
State Finance Agencies	4.0	3.8	3.1	3.2	3.3	2.8	1.9	1.2
Others	9.2	9.1	6.2	7.0	5.3	4.1	2.4	2.7
Inventory, Serviced Own Acct.	7.5	3.9	3.3	2.6	1.6	2.3	4.0	4.2
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Chart 8 MORTGAGE BANKERS' SERVICING BY PROPERTY AND LOAN TYPE
(Dollars in Billions)

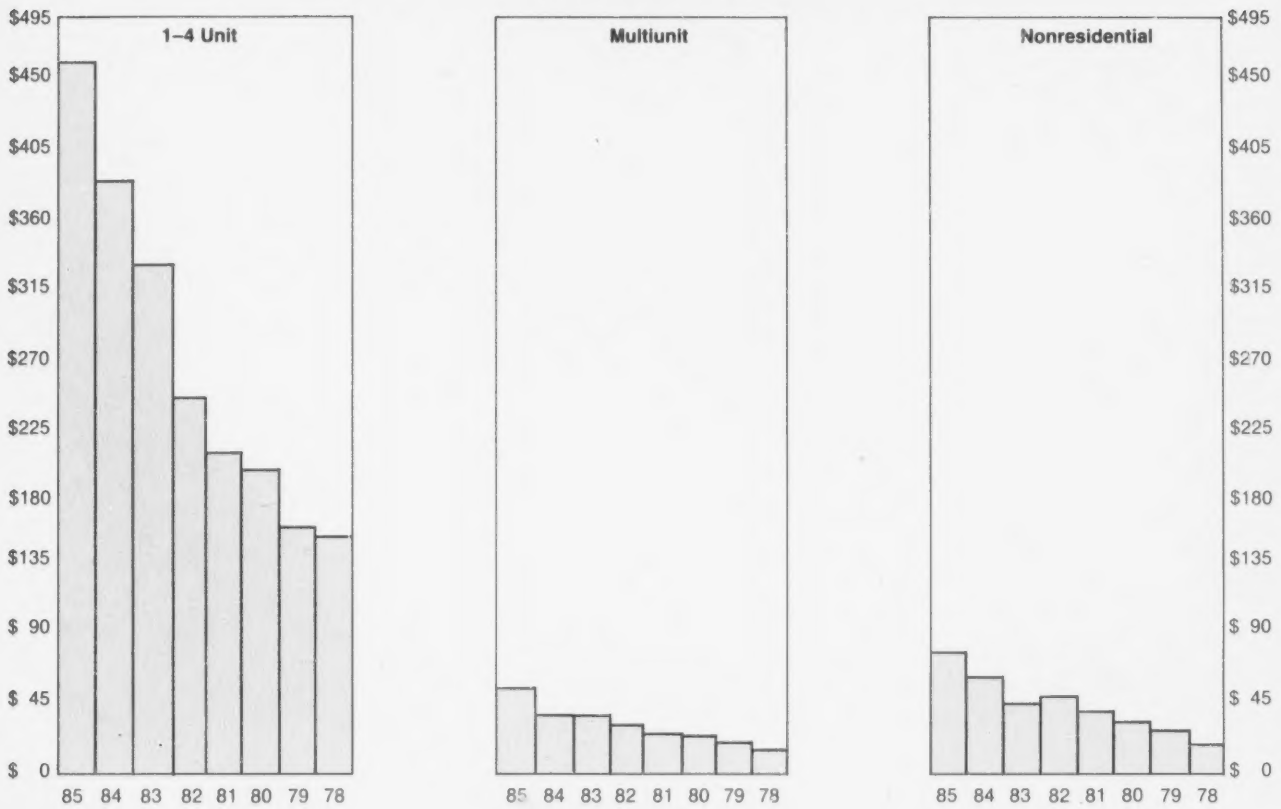


Table 8 MORTGAGE BANKERS' SERVICING BY PROPERTY AND LOAN TYPE

Property and Loan Type	1985	1984	1983	1982	1981	1980	1979	1978
	(Dollars in Billions)							
Total Residential	**$508.0**	**$415.8**	**$356.5**	**$284.3**	**$235.3**	**$215.8**	**$176.3**	**$168.5**
1–4 Unit Residential	458.8	381.1	321.7	251.5	212.6	195.0	157.4	151.7
FHA	136.5	119.0	112.7	91.0	76.9	68.7	56.3	56.8
VA	108.6	98.2	97.8	80.1	72.5	72.5	60.4	61.2
Conventional	213.6	163.9	111.2	80.4	63.2	53.8	40.7	33.7
Multiunit	49.6	34.7	34.8	32.8	22.7	20.8	18.9	16.8
FHA	17.4	17.1	14.0	14.9	9.5	8.5	5.6	4.0
Conventional	32.2	17.6	20.8	17.9	13.2	12.3	13.3	12.8
Nonresidential	61.6	48.1	42.6	44.1	39.2	33.5	27.6	21.4
Total	**$570.0**	**$463.9**	**$399.1**	**$328.4**	**$274.5**	**$249.3**	**$203.9**	**$189.9**
	(Percentages)							
Total Residential	**89.1%**	**89.6%**	**89.3%**	**86.6%**	**85.7%**	**86.6%**	**86.4%**	**88.7%**
1–4 Unit Residential	80.5	82.1	80.6	76.6	77.4	78.3	77.2	79.9
FHA	23.9	25.6	28.2	27.7	28.0	27.6	27.6	29.9
VA	19.1	21.2	24.5	24.4	26.4	29.1	29.6	32.2
Conventional	37.5	35.3	27.9	24.5	23.0	21.6	20.0	17.8
Multiunit	8.7	7.5	8.7	10.0	8.3	8.3	9.2	8.8
FHA	3.1	3.7	3.5	4.5	3.5	3.4	2.7	2.1
Conventional	5.6	3.8	5.2	5.5	4.8	4.9	6.5	6.7
Nonresidential	10.8	10.4	10.7	13.4	14.3	13.4	13.6	11.3
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

MORTGAGE BANKERS' AVERAGE SIZE LOAN ORIGINATED AND SERVICED IN 1985

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Table 9 **MORTGAGE BANKERS' AVERAGE SIZE LOAN ORIGINATED IN 1985 BY LOAN TYPE**
By Origination Volume in Millions of Dollars

Type of Loan	Less Than $10	$10 to $25	$25 to $50	$50 to $100	$100 to $200	$200 or More	Industry Averages
	(In Dollars)						
Total 1–4 Unit Residential	$ 60,813	$ 61,530	$ 59,950	$ 67,905	$ 69,399	$ 68,076	$ 67,533
FHA	46,119	58,176	48,519	54,650	60,690	63,049	60,918
VA	54,863	56,050	55,012	62,929	63,176	65,211	63,789
Conventional	65,362	65,611	68,821	76,231	74,342	73,142	73,211
All Multiunit	$ 127,941	$2,435,116	$ 917,944	$1,372,760	$1,328,545	$1,965,572	$1,566,429
FHA	0	0	3,836,961	4,214,026	1,629,125	1,003,814	1,297,636
Conventional	127,941	2,435,116	610,252	1,121,492	1,323,447	2,895,305	1,651,215
Total Nonresidential	$1,212,535	$1,885,082	$ 432,111	$1,494,097	$4,412,403	$2,924,700	$2,306,608
Nonresidential	1,212,535	1,885,082	432,111	1,481,310	4,412,403	2,924,700	2,306,804
Farm and Ranch	0	0	0	2,021,000	0	0	2,021,000
All First Mortgage Loans	$ 125,960	$ 78,874	$ 74,043	$ 82,046	$ 86,158	$ 87,361	$ 85,558
Construction	128,403	360,802	801,157	168,355	215,587	2,727,040	169,013
Land Development	0	424,659	0	259,706	1,283,723	3,465,029	260,755
Second Mortgage	33,568	67,464	17,024	7,241	28,821	16,783	11,808
Mobile Home	24,679	41,967	0	0	0	30,104	29,627
All Other	0	0	473,750	12,334	7,584,531	38,892	23,376
All Loans	$ 77,865	$ 80,657	$ 78,449	$ 47,064	$ 89,918	$ 149,171	$ 79,441
Total Number of Firms	118	141	144	134	103	116	756

MORTGAGE BANKERS' AVERAGE SIZE LOAN SERVICED IN 1985 BY LOAN TYPE

By Servicing Volume in Millions of Dollars

Table 10

Type of Loan	Less Than $50	$50 to $100	$100 to $200	$200 to $400	$400 to $800	$800 to $1,200	$1,200 or More	Industry Averages
	(In Dollars)							
Total 1–4 Unit Residential	$ 39,957	$ 51,043	$ 58,872	$ 38,668	$ 36,734	$ 42,152	$ 38,954	$ 39,302
FHA	21,174	32,328	30,809	33,432	30,857	33,548	33,381	33,046
VA	20,632	33,146	36,620	32,994	32,755	34,898	35,863	35,425
Conventional	58,949	57,731	77,478	43,657	44,258	51,378	47,025	47,734
All Multiunit	$ 4,146,097	$ 74,500	$1,601,818	$ 2,085,897	$ 569,327	$1,216,764	$ 931,609	$ 923,100
FHA	6,347,838	1,162,870	4,112,783	1,431,267	2,396,014	2,558,606	1,631,725	1,803,492
Conventional	2,766,525	60,063	1,001,212	2,101,774	505,960	1,038,967	723,521	730,563
Total Nonresidential	$2,290,983	$ 867,780	$ 173,044	$ 1,071,546	$ 498,614	$ 488,614	$ 1,058,546	$ 697,199
Nonresidential	2,290,983	867,780	171,898	1,071,546	492,186	512,684	1,080,314	707,926
Farm and Ranch	0	0	214,690	0	2,031,903	18,126	174,327	215,657
All First Mortgage Loans	$ 70,756	$ 61,703	$ 81,917	$ 51,506	$ 47,045	$ 54,131	$ 46,744	$ 48,238
Construction	143,938	0	390,413	1,129,665	349,644	399,754	201,351	258,939
Land Development	512,873	0	287,500	1,792,061	174,809	164,322	264,952	268,057
Second Mortgage	16,294	0	38,800	5,816	36,937	62,237	20,051	9,843
Mobile Home	0	0	0	0	0	0	24,737	24,737
All Other	632,524	0	28,106	25,414	87,963	259,000	46,841	26,057
All Loans	$ 71,554	$ 61,703	$ 81,095	$ 33,425	$ 47,817	$ 55,325	$ 50,259	$ 49,828
Total Number of Firms	213	89	112	107	94	34	107	756

Table 11 MORTGAGE BANKERS' AVERAGE SIZE LOAN ORIGINATED IN 1985 FOR INVESTOR
By Origination Volume in Millions of Dollars

Investor	Less Than $10	$10 to $25	$25 to $50	$50 to $100	$100 to $200	$200 or More	Industry Averages
	(In Dollars)						
Life Insurance Companies	$1,886,667	$1,636,199	$ 62,132	$1,730,784	$ 650,906	$1,964,511	$1,274,246
Mutual Savings Banks	10,882	0	156,792	63,043	36,716	184,936	98,911
Savings and Loan	114,676	207,488	107,651	76,829	76,276	98,358	94,204
Commercial Banks[3]	0	265,459	117,000	99,007	152,390	83,394	92,183
FNMA	67,173	63,518	75,039	62,492	60,319	71,551	67,620
GNMA	47,074	62,050	0	72,364	0	71,128	71,190
GNMA Mortgage Pools	0	59,522	51,315	57,968	63,693	62,174	61,531
State Finance Agencies	45,672	47,995	45,077	52,186	60,158	50,059	52,383
Other	0	142,162	116,102	176,392	131,405	166,274	148,433
Serviced Own Acct.	148,765	72,478	73,535	67,928	99,392	89,620	87,700
All Investors	$ 125,960	$ 78,874	$ 74,043	$ 82,046	$ 86,158	$ 87,361	$ 85,558

LOANS CLOSED AND LOANS SERVICED

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TABLE 12 **MORTGAGE LOANS ORIGINATED BY TYPE OF INVESTOR IN 1985**
By Size of Origination Volume for Mortgage Bankers
(Dollars in Millions)

TYPE OF LOAN	All Investors	Investor									
		Life Insurance Companies	Mutual Savings Banks	Savings & Loan Associations	Commercial[1] Banks	FNMA	GNMA	GNMA Mtg. Pools	State Finance Agencies	Others	Uncommitted Inventory
Less Than $10,000 Originated											
Total Mortgage Loans Originated	$ 529	$224	$ 0	$126	$ 0	$124	$ 15	$ 0	$ 34	$ 6	$ 0
1–4 Unit Residential	239	3	0	63	0	124	15	0	34	0	0
FHA	39	3	0	14	0	1	0	0	21	0	0
VA	6	0	0	0	0	2	0	0	4	0	0
Conventional	194	0	0	49	0	121	15	0	9	0	0
Multiunit	5	0	0	5	0	0	0	0	0	0	0
FHA	0	0	0	0	0	0	0	0	0	0	0
Conventional	5	0	0	5	0	0	0	0	0	0	0
Nonresidential	285	221	0	58	0	0	0	0	0	6	0
$10,000 to $25,000 Originated											
Total Mortgage Loans Originated	$2,563	$120	$ 0	$302	$480	$ 56	$ 0	$401	$230	$ 899	$75
1–4 Unit Residential	1,891	0	0	90	140	56	0	401	230	899	75
FHA	541	0	0	9	0	0	0	71	13	417	31
VA	508	0	0	13	0	0	0	303	30	130	32
Conventional	842	0	0	68	140	56	0	27	182	352	12
Multiunit	629	120	0	169	340	0	0	0	0	0	0
FHA	0	0	0	0	0	0	0	0	0	0	0
Conventional	629	120	0	169	340	0	0	0	0	0	0
Nonresidential	43	0	0	43	0	0	0	0	0	0	0
$25,000 to $50,000 Originated											
Total Mortgage Loans Originated	$5,306	$ 50	$33	$664	$565	$399	$ 0	$621	$226	$1,477	$1,271
1–4 Unit Residential	4,934	50	33	626	396	281	0	604	219	1,467	1,258
FHA	1,083	50	0	55	4	7	0	271	6	542	148
VA	662	0	0	35	29	1	0	333	5	219	40
Conventional	3,189	0	33	536	363	273	0	0	208	706	1,070
Multiunit	248	0	0	37	66	118	0	17	0	10	0
FHA	83	0	0	0	66	0	0	17	0	0	0
Conventional	165	0	0	37	0	118	0	0	0	10	0
Nonresidential	124	0	0	1	103	0	0	0	7	0	13

MORTGAGE LOANS ORIGINATED BY TYPE OF INVESTOR IN 1985

TABLE 12

By Size of Origination Volume for Mortgage Bankers
(Dollars in Millions)

TYPE OF LOAN	All Investors	Investor									
		Life Insurance Companies	Mutual Savings Banks	Savings & Loan Associations	Commercial[1] Banks	FNMA	GNMA	GNMA Mtg. Pools	State Finance Agencies	Others	Uncommitted Inventory
$50,000 to $100,000 Originated											
Total Mortgage Loans Originated	$11,724	$2,361	$ 62	$ 908	$ 1,155	$1,208	$ 880	$ 762	$ 391	$ 3,911	$ 86
1–4 Unit Residential	9,036	771	46	855	626	1,208	880	762	391	3,411	86
FHA	2,655	0	13	78	140	56	549	470	57	1,292	0
VA	1,118	0	9	3	48	0	331	292	58	345	32
Conventional	5,263	771	24	774	438	1,152	0	0	276	1,774	54
Multiunit	1,067	276	0	0	291	0	0	0	0	500	0
FHA	299	0	0	0	291	0	0	0	0	8	0
Conventional	768	276	0	0	0	0	0	0	0	492	0
Nonresidential	1,621	1,314	16	53	238	0	0	0	0	0	0
$100,000 to $200,000 Originated											
Total Mortgage Loans Originated	$12,513	$2,151	$ 200	$1,041	$ 759	$1,720	$ 0	$ 1,303	$ 689	$ 3,473	$1,177
1–4 Unit Residential	9,266	447	200	910	277	1,656	0	1,296	689	3,187	604
FHA	1,755	0	58	36	9	73	0	869	181	481	48
VA	785	1	31	10	7	41	0	368	36	263	28
Conventional	6,726	446	111	864	261	1,542	0	59	472	2,443	528
Multiunit	2,030	946	0	33	482	64	0	7	0	245	253
FHA	30	0	0	0	0	0	0	7	0	23	0
Conventional	2,000	946	0	33	482	64	0	0	0	222	253
Nonresidential	1,217	758	0	98	0	0	0	0	0	41	320
$200,000 or More Originated											
Total Mortgage Loans Originated	$ 4,252	$8,732	$1,243	$5,146	$11,050	$6,083	$2,510	$22,904	$2,222	$12,544	$1,818
1–4 Unit Residential	60,132	370	624	4,118	10,021	5,516	2,335	22,640	2,170	10,524	1,814
FHA	19,059	35	69	490	239	380	1,028	14,133	239	2,165	281
VA	10,300	10	21	375	130	181	290	7,348	182	1,338	425
Conventional	30,773	325	534	3,253	9,652	4,955	1,017	1,159	1,749	7,021	1,108
Multiunit	5,469	3,495	479	344	60	301	174	0	10	606	0
FHA	1,055	206	37	215	30	239	139	0	8	181	0
Conventional	4,414	3,289	442	129	30	62	35	0	2	425	0
Nonresidential	8,651	4,867	140	684	969	266	1	264	42	1,414	4

Table 13 **LOANS ORIGINATED AND LOANS SERVICED BY MORTGAGE BANKERS IN 1985**

	By Size of Origination Volume (in millions of dollars)					
	Less Than $10	$10 to $25	$25 to $50	$50 to $100	$100 to $200	$200 or More
LOANS ORIGINATED	(Dollars in Millions)					
First Mortgage Loans	$ 227	$ 2,487	$ 5,640	$ 9,922	$ 14,851	$ 64,723
1–4 Unit Residential	103	1,925	4,456	8,127	11,845	50,046
FHA	17	480	1,166	1,964	2,665	16,613
VA	3	389	684	1,045	1,382	8,755
Conventional	83	1,056	2,606	5,118	7,798	24,678
Multiunit	2	377	732	659	1,912	4,222
FHA	0	0	292	164	39	1,075
Conventional	2	377	440	495	1,873	3,147
Nonresidential	122	185	452	1,136	1,094	10,455
Non-First Mortgage Loans	$ 88	$ 139	$ 435	$ 2,021	$ 2,341	$ 2,648
Constr. Loans, Face Amt.	39	71	419	736	1,171	2,336
1–4 Unit Residential	15	0	22	282	343	1,112
Other	24	71	397	448	828	1,224
Constr. Loans (Amt. Disb.)	3	12	4	0	306	216
Land Development Loans	0	36	0	13	60	116
Second Mortgage Loans	4	2	13	440	382	156
Mobile Home Loans	45	30	0	0	0	9
Other Non-First Mortgage Loans	0	0	4	822	728	31
TOTAL LOANS ORIGINATED	$ 315	$ 2,626	$ 6,075	$ 11,943	$ 17,192	$ 67,371
FIRST MORTGAGES SERVICED						
1–4 Unit Residential	$15,060	$ 6,390	$14,831	$ 35,457	$ 57,953	$329,110
FHA	1,979	1,569	4,036	8,636	14,768	105,539
VA	1,298	1,751	3,830	8,628	10,416	82,716
Conventional	11,783	3,070	6,965	18,193	32,769	140,855
Multiunit	1,451	488	3,446	1,829	10,484	31,875
FHA	639	28	1,205	527	2,227	12,755
Conventional	812	460	2,241	1,302	8,257	19,120
Nonresidential	1,314	2,056	748	7,229	11,464	38,781
Type of Investor						
Life Insurance Companies	$ 1,853	$ 2,004	$ 2,418	$ 7,147	$ 12,970	$ 42,214
Mutual Savings Banks	259	20	166	2,982	1,276	16,503
Savings & Loan Associations	2,324	1,005	2,811	3,520	8,235	36,709
Commercial Banks[1]	7,626	716	1,932	4,382	9,423	38,897
FNMA	1,776	1,971	1,937	5,198	10,579	45,273
GNMA	11	18	27	5,526	1,829	14,352
GNMA Mtg. Pools	2,962	1,762	4,758	6,663	12,101	127,788
State Finance Agencies	210	782	1,554	2,292	5,477	12,193
Others	414	352	2,288	4,104	12,358	33,098
Serviced Own Acct.	391	304	1,134	2,701	5,653	32,739
With Investor Comm.	384	236	398	792	1,689	12,767
Without Investor Comm.	7	68	736	1,909	3,964	19,972
TOTAL FIRST MORTGAGES SERVICED	$17,825	$ 8,934	$19,025	$ 44,515	$ 79,901	$399,766
NON-FIRST MORTGAGES SERVICED						
Construction Loans	$ 22	$ 26	$ 175	$ 606	$ 2,666	$ 3,679
Land Development Loans	11	17	0	21	180	384
Second Mortgage Loans	249	105	80	1,757	754	1,051
Mobile Home Loans	0	0	0	0	0	25
Other Non-First Mortgage Loans	0	6	7	4,106	5,567	361
Total Number of Firms	118	141	144	134	103	116

LOANS ORIGINATED AND LOANS SERVICED BY MORTGAGE BANKERS IN 1985 Table 14

	By Size of Servicing Portfolio (in millions of dollars)							Industry Totals
	Under $50	$50 to $100	$100 to $200	$200 to $400	$400 to $800	$800 to $1,200	$1,200 or More	
LOANS ORIGINATED	(Dollars in Millions)							
First Mortgage Loans	$3,903	$1,966	$ 4,947	$ 5,632	$12,240	$10,341	$ 58,824	$ 97,849
1–4 Unit Residential	3,448	1,762	2,895	4,324	9,468	8,095	46,510	76,500
FHA	1,350	378	462	999	3,005	1,889	14,822	22,904
VA	255	272	299	552	1,516	1,331	8,033	12,257
Conventional	1,843	1,112	2,134	2,773	4,947	4,875	23,655	41,339
Multiunit	89	45	1,051	517	1,194	885	4,124	7,904
FHA	0	0	263	0	213	72	1,023	1,570
Conventional	89	45	788	517	981	813	3,101	6,334
Nonresidential	366	159	1,001	791	1,578	1,361	8,190	13,445
Non-First Mortgage Loans	$ 133	$ 0	$ 217	$ 2,413	$ 1,451	$ 774	$ 2,685	$ 7,672
Constr. Loans, Face Amt.	91	0	125	395	1,439	656	2,066	4,771
1–4 Unit Residential	15	0	13	23	311	337	1,077	1,775
Other	76	0	112	372	1,128	319	989	2,996
Constr. Loans (Amt. Disb.)	15	0	4	245	0	55	222	541
Land Development Loans	36	0	0	28	7	39	116	226
Second Mortgage Loans	2	0	13	439	5	78	462	999
Mobile Home Loans	0	0	75	0	0	0	9	84
Other Non-First Mortgage Loans	4	0	4	1,551	0	2	31	1,592
TOTAL LOANS ORIGINATED	$4,036	$1,966	$ 5,164	$ 8,045	$13,691	$11,115	$ 61,509	$105,521
FIRST MORTGAGES SERVICED								
1–4 Unit Residential	$2,521	$5,121	$10,062	$22,358	$40,004	$25,992	$352,741	$458,801
FHA	495	599	1,186	5,494	12,450	6,081	110,222	136,527
VA	169	270	1,241	3,726	7,935	5,204	90,094	108,640
Conventional	1,857	4,252	7,636	13,138	19,619	14,708	152,425	213,635
Multiunit	1,065	131	2,066	2,643	4,812	4,088	34,769	49,573
FHA	628	27	1,024	43	700	1,006	13,953	17,380
Conventional	437	104	1,042	2,600	4,112	3,082	20,816	32,193
Nonresidential	928	1,128	3,756	5,090	7,524	3,915	39,254	61,593
Type of Investor								
Life Insurance Companies	$1,171	$1,105	$ 5,439	$ 3,433	$ 9,671	$ 5,468	$ 42,318	$ 68,606
Mutual Savings Banks	79	338	129	2,411	476	285	17,489	21,207
Savings & Loan Associations	381	1,212	1,526	2,028	7,051	4,262	38,144	54,603
Commercial Banks[1]	811	673	1,493	2,430	6,257	4,592	46,720	62,976
FNMA	398	899	2,845	4,079	6,962	3,777	47,779	66,734
GNMA	7	12	380	1,296	899	78	19,091	21,763
GNMA Mtg. Pools	0	271	1,033	4,999	11,625	8,048	130,057	156,033
State Finance Agencies	60	853	1,141	2,155	2,892	1,735	13,671	22,507
Others	731	471	1,523	2,770	4,724	3,292	39,104	52,614
Serviced Own Acct.	876	546	375	4,490	1,783	2,463	32,391	42,924
With Investor Comm.	113	244	293	795	1,716	648	12,416	16,225
Without Investor Comm.	763	302	82	3,695	67	1,815	19,975	26,699
TOTAL FIRST MORTGAGES SERVICED	$4,514	$6,380	$15,884	$30,091	$52,340	$33,995	$426,764	$569,967
NON-FIRST MORTGAGES SERVICED								
Construction Loans	$ 37	$ 0	$ 169	$ 929	$ 880	$ 790	$ 4,370	$ 7,175
Land Development Loans	28	0	2	59	8	86	429	612
Second Mortgage Loans	1	0	267	1,785	90	81	1,771	3,995
Mobile Home Loans	0	0	0	0	0	0	25	25
Other Non-First Mortgage Loans	13	0	2	9,667	264	3	96	10,046
Total Number of Firms	213	89	112	107	94	34	107	756

Table 15 **SHARE OF MORTGAGE BANKERS' ORIGINATIONS BY TYPE OF LOAN, 1980–1985**
By Size of Servicing Portfolio

Property and Type of Loan	Size of Servicing Portfolio (in millions of dollars)						
	All Sizes	Under $50	$50 to $100	$100 to $200	$200 to $400	$400 to $800	$800 or More
1–4 Unit Residential							
1985	78.2%	88.3%	89.6%	58.5%	76.8%	77.4%	78.9%
1984	79.5	92.3	67.7	77.8	82.3	75.4	80.6
1983	83.2	72.2	68.3	89.0	69.2	77.6	87.1
1982	83.5	89.2	94.4	80.8	80.4	84.0	82.7
1981	77.2	73.0	79.6	75.9	51.4	79.7	82.3
1980	80.9	69.6	83.7	60.6	78.4	72.8	86.5
FHA							
1985	23.4	34.6	19.2	9.3	17.7	24.6	24.2
1984	17.3	17.3	22.4	5.9	16.4	22.3	16.8
1983	29.6	30.0	11.3	21.7	20.3	24.3	33.2
1982	29.0	34.2	26.9	26.0	30.2	25.9	29.2
1981	25.1	21.3	24.2	19.1	22.6	24.4	26.8
1980	31.0	28.1	24.2	20.7	28.6	28.5	34.2
VA							
1985	12.5	6.5	13.8	6.0	9.8	12.4	13.5
1984	11.4	4.7	16.2	4.3	11.5	11.7	11.6
1983	19.8	16.6	17.5	14.0	22.5	14.7	20.9
1982	17.7	14.5	14.5	18.6	18.0	18.9	17.9
1981	18.5	10.8	15.8	19.3	11.9	17.5	20.9
1980	25.8	19.2	26.0	14.7	24.0	26.3	27.7
CONV							
1985	42.2	47.2	56.6	43.1	49.2	40.4	41.2
1984	50.8	70.2	29.0	67.6	54.3	41.3	52.3
1983	33.8	25.7	39.5	53.3	26.4	38.6	33.0
1982	36.9	40.5	53.0	36.2	32.2	39.2	35.6
1981	33.6	40.9	39.6	37.5	16.9	37.8	34.6
1980	24.1	22.3	33.4	25.2	25.8	18.0	24.6
Multiunit							
1985	8.1	2.3	2.3	21.3	9.2	9.7	7.2
1984	8.7	7.7	12.0	5.3	6.6	8.6	9.0
1983	7.3	13.3	21.3	1.3	9.6	9.4	6.0
1982	5.4	4.6	0.7	7.8	9.0	3.5	5.5
1981	5.2	2.9	4.5	5.2	4.4	1.9	6.7
1980	6.5	3.9	4.4	17.3	6.5	7.4	5.1
FHA							
1985	1.6	0.0	0.0	5.3	0.0	1.7	1.6
1984	3.3	0.9	9.4	0.0	0.0	1.5	3.8
1983	2.4	4.2	6.0	0.0	6.8	1.2	1.9
1982	2.2	4.6	0.0	1.3	2.5	2.8	2.0
1981	2.2	0.0	4.5	2.2	1.9	0.5	2.9
1980	3.4	0.3	2.7	10.2	1.6	2.9	3.1
CONV							
1985	6.5	2.3	2.3	15.9	9.2	8.0	5.7
1984	5.5	6.8	2.6	5.3	6.6	7.1	5.1
1983	4.9	9.0	15.4	1.3	2.9	8.1	4.2
1982	3.2	0.0	0.7	6.4	6.5	0.8	3.4
1981	3.0	2.9	0.0	3.0	2.5	1.3	3.7
1980	3.1	3.6	1.7	7.1	5.0	4.5	1.9
Nonresidential							
1985	13.7	9.4	8.1	20.2	14.0	12.9	13.8
1984	11.8	0.0	20.3	16.9	11.1	16.0	10.4
1983	9.5	14.5	10.3	9.7	21.1	13.1	6.9
1982	11.0	6.2	5.0	11.5	10.6	12.5	11.8
1981	17.6	24.1	15.9	18.9	44.2	18.4	11.1
1980	12.6	26.5	11.9	22.1	15.0	19.8	8.4
TOTAL ORIGINATED	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

PERCENT OF MORTGAGE LOANS ORIGINATED, 1981–1985

Table 16

By Type of Purchasing Investor by Size of Mortgage Bankers' Servicing Portfolio

Purchasing Investor	Size of Servicing Portfolio (in millions of dollars)						
	All Sizes	Under $50	$50 to $100	$100 to $200	$200 to $400	$400 to $800	$800 or More
LIFE INSURANCE COMPANIES							
1985	12.7%	0.0%	8.1%	30.0%	7.4%	22.3%	10.9%
1984	10.8	4.0	20.2	11.2	9.7	17.2	8.9
1983	12.0	25.0	21.4	13.8	22.3	19.9	7.8
1982	11.0	5.0	1.4	13.6	9.6	9.2	12.6
1981	12.9	22.5	7.5	12.2	20.4	17.7	9.3
MUTUAL SAVINGS BANKS							
1985	2.1	1.3	0.0	0.2	9.2	0.4	2.2
1984	3.0	1.6	0.0	3.1	1.5	3.6	3.3
1983	1.5	2.9	10.8	0.0	0.3	0.4	1.5
1982	0.5	0.4	0.0	2.8	0.3	0.2	0.5
1981	1.0	0.0	5.0	2.2	0.3	0.7	0.9
SAVINGS & LOAN ASSN.							
1985	8.1	5.9	28.6	14.8	6.3	5.6	7.5
1984	11.5	17.4	7.4	30.9	17.7	10.0	9.9
1983	6.7	4.9	8.7	19.1	1.7	20.4	4.1
1982	6.0	2.4	24.7	11.4	5.3	17.1	3.3
1981	10.1	27.2	24.4	1.2	8.2	13.5	8.0
COMMERCIAL BANKS[a]							
1985	11.7	3.8	13.1	14.2	9.9	9.1	12.7
1984	17.0	2.0	7.7	6.9	10.4	7.8	21.6
1983	11.4	7.0	7.3	3.9	1.2	3.0	15.6
1982	11.0	8.5	9.8	5.5	10.0	3.0	13.3
1981	11.4	1.7	14.6	13.5	33.0	9.7	7.9
FNMA							
1985	8.7	10.5	4.4	4.7	14.4	8.5	8.7
1984	8.0	15.4	3.7	13.4	13.7	5.3	7.6
1983	9.3	10.6	12.9	20.2	10.0	8.3	7.8
1982	12.6	18.7	16.0	9.3	15.7	17.6	10.5
1981	11.7	8.2	18.4	6.3	6.0	12.9	13.0
GNMA							
1985	3.8	0.2	0.0	2.7	4.4	2.0	4.4
1984	1.6	1.3	1.6	1.7	5.1	0.1	1.6
1983	4.0	3.5	0.5	6.4	3.4	3.6	4.1
1982	0.5	0.6	0.0	0.0	2.9	0.0	0.2
1981	1.1	12.0	0.0	2.7	0.6	0.0	0.6
GNMA MORTGAGE POOLS							
1985	22.0	0.0	18.4	8.0	14.3	17.6	26.3
1984	20.8	6.2	18.8	3.9	14.1	17.2	24.1
1983	36.7	18.6	20.8	9.6	35.0	20.4	43.4
1982	26.6	30.6	3.3	14.2	28.2	27.4	27.6
1981	20.6	2.4	12.2	6.0	13.4	21.9	25.5
OTHERS							
1985	26.7	73.4	24.9	24.0	19.2	31.3	23.5
1984	20.0	46.4	35.2	17.9	20.7	28.1	16.4
1983	13.6	21.1	13.9	15.6	17.1	15.4	12.3
1982	28.1	32.7	35.2	33.1	18.5	20.1	30.1
1981	25.5	18.6	16.2	50.1	12.7	18.6	28.8
UNCOMMITTED INVENTORY							
1985	4.2	4.9	2.4	1.4	14.9	3.2	3.8
1984	1.9	1.1	0.0	1.8	1.5	0.4	2.5
1983	1.1	5.5	0.0	0.5	0.9	0.8	1.2
1982	1.3	1.0	7.0	1.9	4.7	2.3	0.3
1981	0.6	1.0	0.3	1.8	1.3	0.7	0.3
TOTAL ORIGINATED	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 17 **MORTGAGE BANKERS' ACTIVITY, AVERAGE FIRM, 1979–1985**

1985	1984	1983	1982	1981	1980	1979	
(Dollars in Millions)							**LOANS ORIGINATED**
$129.4	$ 96.8	$107.2	$ 40.1	$ 44.1	$ 48.9	$ 60.7	First Mortgage Loans
101.2	77.0	89.2	33.5	34.0	39.6	49.0	1–4 Unit Residential
30.3	16.8	31.8	11.6	11.0	15.2	17.5	FHA
16.2	11.1	21.2	7.1	8.2	12.6	16.7	VA
54.7	49.1	36.2	14.8	14.8	11.8	14.8	Conventional
10.5	8.4	7.8	2.2	2.3	3.2	3.7	Multiunit
17.8	11.4	10.2	4.4	7.8	6.2	8.1	Nonresidential
$ 10.1	$ 10.4	$ 12.6	$ 9.8	$ 12.2	$ 7.6	$ 9.7	Non-First Mortgage Loans
6.3	7.9	8.6	7.6	9.1	6.3	8.0	Constr. Loans, Face Amt.
2.3	3.4	2.9	1.4	3.0	1.7	3.0	1–4 Unit Residential
4.0	4.5	5.7	6.2	6.1	4.6	5.0	Other
0.7	2.6	2.2	2.0	2.9	1.9	2.8	Constr. Loans (Amt. Disb.)
0.3	0.7	0.6	0.2	0.6	0.6	0.9	Land Development Loans
1.3	0.9	1.2	0.8	1.0	0.6	0.4	Second Mortgage Loans
2.2	0.8	2.1	1.2	1.2	0.1	0.3	Other Non-First Mortgage Loans
$139.6	$107.2	$119.8	$ 49.9	$ 56.3	$ 56.6	$ 70.3	**TOTAL LOANS ORIGINATED**
							FIRST MORTGAGES SERVICED
$606.8	$496.9	$462.8	$344.5	$280.1	$250.3	$230.8	1–4 Unit Residential
180.6	155.2	162.2	124.7	101.3	88.2	82.5	FHA
143.7	128.0	140.5	109.7	95.5	93.1	88.6	VA
282.6	213.7	160.1	110.1	83.3	69.0	59.7	Conventional
65.6	45.2	50.1	45.0	30.0	26.7	27.7	Multiunit
23.0	22.3	20.1	20.5	12.5	10.9	8.3	FHA
42.6	22.9	30.0	24.5	17.5	15.8	19.4	Conventional
81.5	62.7	61.5	60.4	51.7	43.0	40.5	Nonresidential
							Type of Investor
$ 90.7	$ 68.5	$ 75.4	$ 73.8	$ 64.2	$ 56.4	$ 56.8	Life Insurance Companies
28.1	24.5	25.0	25.0	21.3	18.9	20.3	Mutual Savings Banks
72.2	55.3	50.0	38.8	30.0	30.3	31.1	Savings & Loan Associations
83.3	76.2	64.6	47.6	40.0	28.7	29.3	Commercial Banks[3]
88.3	84.7	82.9	63.5	59.8	59.0	50.6	FNMA
28.8	11.9	20.3	14.3	4.9	5.1	1.3	GNMA
206.4	182.2	184.0	129.1	104.7	92.0	82.3	GNMA Mtg. Pools
29.8	23.1	18.0	14.2	11.9	9.0	5.6	State Finance Agencies
69.6	55.1	35.4	31.6	19.0	13.1	7.3	Others
56.8	23.4	18.7	11.9	5.7	7.5	11.8	Serviced Own Acct.
21.5	17.5	14.5	9.9	4.6	5.1	5.9	With Investor Comm.
35.3	5.9	4.2	2.0	1.1	2.4	5.9	Without Investor Comm.
$753.9	$604.9	$574.3	$449.9	$361.5	$320.0	$299.0	**TOTAL FIRST MORTGAGES SERVICED**
							NON-FIRST MORTGAGES SERVICED
$ 9.5	$ 10.6	$ 14.7	$ 8.3	$ 8.9	$ 6.8	$ 8.7	Construction Loans
0.8	0.8	1.3	0.8	1.2	1.1	1.3	Land Development Loans
5.3	2.4	2.6	2.5	1.0	0.7	1.1	Second Mortgage Loans
0.0	12.9	13.4	0.2	3.6	0.1	0.2	Mobile Home Loans
13.3	0.3	1.1	6.8	2.2	0.6	0.3	Other Non-First Mortgage Loans
756	767	695	730	758	779	682	Total Number of Firms

NOTES AND FOOTNOTES

Volume of Loans Closed applies to the calendar year ending December 31, 1985. Due to rounding, parts may not add to totals.

1. Loans closed for each purchasing investor includes both actual deliveries to those investors and mortgages held in inventory with purchase commitments from that investor. The category "Committed Inventory" means loans held in inventory with a purchase commitment from an investor whose type was not specified in the survey response.
2. Includes Savings & Loan Associations and Mutual Savings Banks.
3. Includes trusteed funds.
4. Includes GNMA.

Mortgage Bankers
Association of America

1125 Fifteenth Street, N.W.
Washington, D.C. 20005

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